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STENEHJEM CRACKS DOWN ON COMPUTER CHIP MAKERS

BISMARCK – Attorney General Wayne Stenehjem is joining a multi-state lawsuit against the world's top manufacturers of Dynamic Random Access Memory (DRAM) chips, prohibiting the companies from manipulating prices. DRAM is a widely used form of computer memory found in personal computers, servers and other electronic devices. The multistate lawsuit will provide monetary relief on behalf of consumers and state agencies that paid more for computers because of the alleged price-fixing.

“For years, North Dakota consumers and state agencies paid more for computers as a result of a price-fixing conspiracy by companies that make memory chips, which are a crucial component of many high-tech products,” Attorney General Stenehjem said. “Our lawsuit seeks to prohibit manufacturers from manipulating prices in the future and to recoup some of the public's losses.”

North Dakota and 33 other states expect to file the lawsuit on Friday in U.S. District Court in San Francisco, seeking damages, restitution, civil penalties and injunctive relief for consumers and state agencies that paid higher prices for electronics from 1998 to 2002 as a result of alleged price-fixing by DRAM manufacturers. The states' suit is the result of a coordinated, multi-state investigation that began in 2004, as well as a federal investigation that exposed a scheme where DRAM manufacturers profited at the expense of consumers.

The suit brings claims against the major manufacturers of DRAM chips. North Dakota and the other states allege that the defendants violated federal and state antitrust laws and state consumer protection laws by coordinating prices they charged for DRAM. The states' complaint details the conspiracy, including an agreement by industry leaders to trim production in order to artificially raise prices. The lawsuit asks for a jury trial, an unspecified amount of damages and an injunction against future illegal conduct.

The action by Attorney General Stenehjem follows a criminal investigation launched in June 2002 by the U.S. Department of Justice into what officials have called “one of the largest cartels ever discovered.” Micron agreed to cooperate with investigators in exchange for amnesty from federal criminal charges. Several defendants and twelve individuals have since pleaded guilty to criminal price-fixing and collectively paid more than \$730 million in fines.